

APPROVED
MINUTES OF THE ANNUAL MEETING OF
PROVO RIVER DISTRIBUTION SYSTEM WATER USERS
January 26, 2009

Pursuant to the Articles of Association, as amended by the Provo River Distribution System, and due notice having been given to all members, the Board of Directors of the Provo River Distribution System convened at 1:00 p.m. at the Central Utah Water Conservancy District Offices, located at 355 West University Parkway, Orem, Utah.

Board Members in Attendance

Alan Brown	Heber Valley East Canals
Jeff Bryant	Provo Reservoir Water Users Company
Jeff Budge	Provo River Water Users Association
Daryl Devey	Central Utah Water Conservancy District
Jack Jones	West Provo Canals
Farrell Knight	Individual Rights
Bart Simons	Provo City Canals
Ed Ure	Kamas Valley Canals
Ken VanWagoner	Heber Valley West Canals

John Hinckley was not able to attend.

Others in Attendance

Stan Roberts	River Commissioner
Debbie Vanoy	Central Utah Water Conservancy District

Call to Order

The meeting was called to order by Ed Ure, Chairman of the Board.

Adoption of Minutes

Mr. VanWagoner made a motion to approve the minutes of the January 25, 2008, meeting. Mr. Budge seconded the motion. The motion passed unanimously.

Election of Officers

Mr. Budge made a motion the Board maintain the current officers. Mr. Bryant seconded the motion. The motion passed unanimously.

RECEIVED
JAN 28 2010
WATER RIGHTS
SALT LAKE

Financial Report

Chairman Ure turned the floor over to Mr. Roberts. He distributed two reports "Provo River (LCD) Distribution System Trust Fund" and "Provo River Distribution System Trust Fund." Also attached was a sheet labeled "Miscellaneous." Copies of these handouts are attached and made a part of these minutes by this reference. Mr. Roberts then reviewed the reports in detail.

During the report he mentioned a few discrepancies in the budgeted amount and what was actually expended. They are as follows: (1) Mr. Roberts was shorted \$1,500 in pay; (2) The travel expense for the River Commissioner was over budget by \$419.33. He explained this was partly due to the changes in the allowable IRS reimbursement rate; (3) The travel expense for Linden Maxfield was over budget by \$74.69; (4) Central Utah Water Conservancy District was not paid the \$1,000 for the secretary expense; (5) Miscellaneous Expense was over budget by \$23.66. This overage was explained by the handout entitled "Miscellaneous."

Mr. Knight made a motion to accept the financial reports. The motion was seconded by Mr. Budge. The motion passed unanimously.

Mr. Roberts reported on the status of the outstanding accounts beginning with the Provo River Distribution System Trust Fund followed by the Provo River (LCD) Distribution System Trust Fund.

Commissioner's Report

Mr. Roberts distributed a copy of the annual report and said it was about 95 to 97 percent complete. He stated that he plans to have the final report distributed next week.

Mr. Roberts then distributed "Summary 2008 Water Year." A copy of this sheet is attached and made a part of these minutes by this reference. Mr. Roberts then reviewed the sheet in detail. He stated that he is now tracking the water used by the Victory Ranch development to water their golf course. Eventually this development will also have culinary water that will be delivered by Jordanelle Special Service District (JSSD) that will have to be tracked as well once it comes on line.

A quick update of JSSD was given stating they are currently working on a water reclamation facility below Jordanelle and they have also drilled two more wells in the area. These wells are not being used at this time but they are ready for use when the demand comes. JSSD has also taken over responsibility for two wells near the Wolf Creek Ranches.

Mr. Roberts then expressed appreciation to his deputies and to all those on the system for their cooperation.

Mr. Budge expressed appreciation to Mr. Roberts for all his work.

Mr. VanWagoner made a motion to accept the 2008 Commissioner's Report. It was seconded by Mr. Budge. The motion passed unanimously.

The next agenda item was additional business. Mr. Devey explained that Mr. Sim from the State was planning to be here to go over some items with the board. He suggested that the Board go ahead and start working on the 2009 budget until Mr. Sim arrives.

Discussion of the 2009 Budget

Chairman Ure turned the floor over to Mr. Roberts to lead the discussion on the 2009 budget.

Mr. Budge asked Mr. Roberts about the status of the two new deputies that have to be hired this year to replace the current deputies who have reached the maximum age limit allowed by the State. Mr. Roberts stated that this has not been formalized yet but he will be taking applications and will bring back a recommendation to the Board for its approval. He also said there is a possibility that he will only hire one deputy instead of two.

Mr. Roberts then left the room so the Board could discuss his salary since this is the first line item on the budget. After a quick discussion, Mr. VanWagoner made a motion to give Mr. Roberts a five (5) percent raise and pay him the \$1,500 he was shorted last year. The motion was seconded by Mr. Jones. The motion passed unanimously.

At this time, Lee Sim, John Mann, and Sue Odekirk from the State Division of Water Rights arrived at the meeting. Mr. Roberts rejoined the meeting. Chairman Ure turned the floor over to Mr. Sim.

Additional Business

Mr. Sim explained that the State had recently done an evaluation of the cost of preparing assessments and collections for the distribution systems. It costs the State about \$15 to calculate, send out, receive, post, and deposit an assessment. So for some of the distribution systems the assessments are costing more to prepare than they collect. They also determined that they are only going to collect accounts that are \$200 or more. State statute only allows collection of accounts that are less than four years old. So that means that if the State is going to be able to collect anything on these accounts, the minimum assessment will need to be about \$40 to get to that amount in four years. Mr. Sim explained the State is not telling the distribution systems they have to raise their minimums to \$40, just that the State won't collect the assessments if the minimums are not raised because it will never get to the point where we can collect it within the four-year time frame. This led to a discussion on various ways the balance could reach the \$200 within the collection period.

Mr. Sim also stated that in addition, if a delinquent account goes into collection, it costs the State about \$200 to go through that process, and so the State is going to start adding a \$200 collection fee for any account that goes into collection.

Mr. Devey reported the committee felt it was a good idea to raise the minimum assessment to \$40 and suggested that the Board think about the proposal and vote on it in tomorrow's meeting.

He also stated another part of the committee's charge was to look at the assessments and determine if everybody on the system was being assessed fairly.

Ms. Odekirk distributed, "Evaluation of Proposed Assessment Classes Provo River System." A copy of this sheet is attached and made a part of these minutes by this reference. Ms. Odekirk then explained the sheet in detail.

A discussion followed regarding placing a one-time fee similar to an impact fee on all change applications filed.

There was also a discussion on ways to bring the Lake Creek, Center Creek, and Daniels Creek into the regular system so they are not a separate entity and a separate assessment. One idea is to assign them a Wentz number.

Mr. Sim, Mr. Mann, and Ms. Odekirk were excused from the meeting.

Discussion of the 2009 Budget (Continued)

It was decided to set the budget for wages for the deputies at the same rate as it was last year. Travel expense for the river commissioner was increased to \$2,500. Secretary expense was set at \$2,500 which includes the money owed for the last two years. The annual report expense was increased to \$1,000. The remaining line items remained the same as last year.

Mr. Jones made a motion to approve the budget. Mr. Budge restated the motion to clarify the motion was to approve the budget with the numbers as discussed subject to changes for benefits and the State Engineer's assessment and other numbers that are still needed tomorrow. The motion was seconded by Mr. Budge. The motion passed unanimously.

Additional Business

Mr. Devey made a motion to retain Mr. Stan Roberts as the Provo River Commissioner. The motion was seconded by Mr. Simons. The motion passed unanimously.

Mr. VanWagoner made a motion to adjourn. The motion was seconded by Mr. Brown. The motion passed unanimously.

The meeting adjourned.



JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

MICHAEL R. STYLER
Executive Director

BOYD P. CLAYTON
State Engineer/Division Director

PROVO RIVER DISTRIBUTION SYSTEM TRUST FUND 2008 Financial Statement

A. BEGINNING BALANCE January 1, 2008 \$146,823.72

B. RECEIPTS

1. Assessments:	\$131,065.63
2. Delinquent Penalties:	644.08
3. Previous Assessments & Penalties:	4,049.36
4. Transfers & Adjustments:	0.00
5. Annual Interest Earned:	2,347.64
6. System Reimbursements:	0.00
TOTAL RECEIPTS	138,106.71

C. EXPENDITURES

1. Budgeted Expenditures:	124,979.00
2. Unbudgeted Expenditures:	517.68
3. Transfers & Adjustments:	0.00
TOTAL EXPENDITURES	125,496.68

D. ENDING BALANCE December 31, 2008 159,433.75

NOTICE: Expenditures and Assessments received after
December 20, 2008 MAY OR MAY NOT be included in
this financial statement.

SUBMITTED BY :

Boyd P. Clayton, P.E.
State Engineer

1/13/09
DATE

PREPARED BY:

Dennis Carroll
Dennis Carroll
Budget & Accounting Officer

PROVO RIVER DISTRIBUTION SYSTEM
2008 Budget Expenditures

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Item No	Item Description	2008 Amount Budgeted	2008 Amount Expended	2008 Amount Reimbursed	2008 Item Balance
	Roberts Jr., Stanley H.				
1	Salary	62,324.00	60,824.00	0.00	1,500.00
2	Social Security	4,770.00	4,609.63	0.00	160.37
3	Retirement	9,800.00	9,568.67	0.00	231.33
4	Insurance	14,300.00	13,818.18	0.00	481.82
5	Travel Expense	2,000.00	2,419.33	0.00	-419.33
	Gumnow, Fred				
6	Salary	5,356.00	5,356.00	0.00	0.00
7	Social Security	425.00	409.73	0.00	15.27
8	Insurance	100.00	47.58	0.00	52.42
9	Travel Expense	850.00	658.51	0.00	191.49
	Maxfield, Linden				
10	Salary	10,506.00	10,506.00	0.00	0.00
11	Social Security	825.00	803.71	0.00	21.29
12	Insurance	150.00	93.36	0.00	56.64
13	Travel Expense	1,200.00	1,274.69	0.00	-74.69
14	Secretary Expense	1,000.00	0.00	0.00	1,000.00
15	Committee Expense	4,000.00	2,958.86	0.00	1,041.14
16	Office Expense	2,500.00	936.52	0.00	1,563.48
17	Supplies & Equipment	2,000.00	8.89	0.00	1,991.11
18	Telephone Expense	1,600.00	1,239.02	0.00	360.98
19	Miscellaneous Expenses	1,649.00	1,672.66	0.00	-23.66
20	State Engineer Assessment	8,245.00	8,245.00	0.00	0.00
21	Annual Report	400.00	46.34	0.00	353.66
	Totals :	134,000.00	125,496.68	0.00	8,503.32

PROVO RIVER DISTRIBUTION SYSTEM
2008 Total Assessment Amount : \$135,000.00

PROVO RIVER DISTRIBUTION SYSTEM
2009 Proposed Budget Worksheet

Item No	Item Description	2008 Amount Budgeted	2008 Item Balance	2009 Proposed Budget

	Roberts Jr., Stanley H.			
1	Salary	62,324.00	1,500.00	_____
2	Social Security	4,770.00	160.37	_____
3	Retirement	9,800.00	231.33	_____
4	Insurance	14,300.00	481.82	_____
5	Travel Expense	2,000.00	-419.33	_____
	Gummow, Fred			
6	Salary	5,356.00	0.00	_____
7	Social Security	425.00	15.27	_____
8	Insurance	100.00	52.42	_____
9	Travel Expense	850.00	191.49	_____
	Maxfield, Linden			
10	Salary	10,506.00	0.00	_____
11	Social Security	825.00	21.29	_____
12	Insurance	150.00	56.64	_____
13	Travel Expense	1,200.00	-74.69	_____
14	Secretary Expense	1,000.00	1,000.00	_____
15	Committee Expense	4,000.00	1,041.14	_____
16	Office Expense	2,500.00	1,563.48	_____
17	Supplies & Equipment	2,000.00	1,991.11	_____
18	Telephone Expense	1,600.00	360.98	_____
19	Miscellaneous Expenses	1,649.00	-23.66	_____
20	State Engineer Assessment	8,245.00	0.00	_____
21	Annual Report	400.00	353.66	_____

Totals :		134,000.00	8,503.32	

PROVO RIVER DISTRIBUTION SYSTEM
2008 Delinquent Water Assessments

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Account Number	Billing Entity Billing Contact	Amount Due
101699	KNUDSEN, ANDREW % JAY CHRISTIANSON	16.50
101710	GILES, DONNA T. C/O JOYCE GILES	34.65
101712	GILES, BERT C/O JOYCE GILES	34.65
101724	UNITED PARK CITY MINES CO GEE, KERRY C	16.50
101731	SOUTH KAMAS IRRIGATION CO BIESEL, DELOY	197.73
101733	SUNRISE IRRIGATION CO BISEL, DELOY (JR)	492.05
101740	BAUM, ISAAC R.	111.60
101741	BAUM, LYNN D. AND DEBRA L.	16.50
101751	WRIGHT, ELDRED G	47.37
101768	GINES, MRS AFTON BISEL, DELOY	440.67
101776	GIBBS, ENNIS	16.50
101791	MOON, HEBER	306.65
101808	BISEL, DELOY (JR)	25.62
101809	HARDMAN, ELWOOD	33.35
101812	MCAFFEE, SCOTT (DECEASED)	284.20
101833	LINCOLN REALTY	99.37
101854	UNITED PARK CITY MINES CO GEE, KERRY C	251.34

PROVO RIVER DISTRIBUTION SYSTEM
2008 Delinquent Water Assessments

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Account Number	Billing Entity Billing Contact	Amount Due
101867	DAVIS, RICHARD	124.89
101876	DAVIS, RICHARD	124.89
101877	DAVIS, RICHARD	124.89
101883	RODEBACK, JIM	34.65
101887	DAVIS, RICHARD	124.89
101888	NIELSON, BLAIN R	16.50
101890	DAVIS, RICHARD	124.89
101911	ABP INVESTMENTS	76.87
101921	ESNET PROPERTIES L.C.	34.65
101927	SYKES, DWANE J	34.65
101931	CHRISTENSEN, VAUDIS B FAMILY TRUST MS JEANNETTE C REED CO TRUSTEE WITH GALE K CHRISTENSEN	99.37
101935	ROBERTS, STANLEY H	34.65
101943	EAST RIVER BOTTOM WATER CO JEFFS, ROBERT L.	586.30
101947	ROBERTS, STANLEY H	34.65
101955	KING, VAL WARREN	187.86
101957	ROBERTS, STANLEY H	56.42
101958	ROBERTS, STANLEY H	34.65

PROVO RIVER DISTRIBUTION SYST.
2008 Delinquent Water Assessments

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Account Number	Billing Entity Billing Contact	Amount Due
101959	ROBERTS, STANLEY H	34.65
102906	SOUTH KAMAS IRRIG. CO. C/O DELOY BISSEL	175.70
102911	SUNRISE IRRIGATION CO. BISEL, DELOY (JR)	75.02
102915	WASATCH MOUNTAIN WATER COMPANY	270.60
102916	MOWER, SHIRLEY & WILLIAMS	54.62
102928	T.K. ASSOCIATES LLC	16.50
103120	ASPEN RIDGE RANCHES LLC	37.40
103121	REDFORD, C. ROBERT c/o Mike L. Washburn, The Sundance Group	997.70
Total Amount Due :		5,943.11



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

MICHAEL R. STYLER
Executive Director

BOYD P. CLAYTON
State Engineer/Division Director

PROVO RIVER (LCD) DISTRIBUTION SYSTEM TRUST FUND 2008 Financial Statement

A. BEGINNING BALANCE January 1, 2008 \$127.90

B. RECEIPTS

1. Assessments:	\$2,101.76
2. Delinquent Penalties:	5.28
3. Previous Assessments & Penalties:	1,169.52
4. Transfers & Adjustments:	0.00
5. Annual Interest Earned:	12.42
6. System Reimbursements:	0.00
TOTAL RECEIPTS	3,288.98

C. EXPENDITURES

1. Budgeted Expenditures:	2,000.00
2. Unbudgeted Expenditures:	0.00
3. Transfers & Adjustments:	0.00
TOTAL EXPENDITURES	2,000.00

D. ENDING BALANCE December 31, 2008 1,416.88

NOTICE: Expenditures and Assessments received after
December 20, 2008 MAY OR MAY NOT be included in
this financial statement.

SUBMITTED BY :

Boyd P. Clayton
Boyd P. Clayton, P.E.
State Engineer

1/13/09
DATE

PREPARED BY:

Dennis Carroll
Dennis Carroll
Budget & Accounting Officer

PROVO RIVER (LCD) DISTRIBUTION SYSTEM
2008 Budget Expenditures

Page 2

Item No	Item Description	2008 Amount Budgeted	2008 Amount Expended	2008 Amount Reimbursed	2008 Item Balance
	Roberts Jr., Stanley H.				
1	Salary	1,500.00	1,500.00	0.00	0.00
2	Social Security	115.00	115.00	0.00	0.00
3	Retirement	235.00	235.00	0.00	0.00
4	Insurance	20.00	20.00	0.00	0.00
5	State Engineer Assessment	130.00	130.00	0.00	0.00
	Totals :	2,000.00	2,000.00	0.00	0.00

PROVO RIVER (LCD) DISTRIBUTION SYSTEM
2008 Total Assessment Amount : \$3,000.00

PROVO RIVER (LCD) DISTRIBUTION SYSTEM
2009 Proposed Budget Worksheet

Item No	Item Description	2008 Amount Budgeted	2008 Item Balance	2009 Proposed Budget
	Roberts Jr., Stanley H.			
1	Salary	1,500.00	0.00	
2	Social Security	115.00	0.00	
3	Retirement	235.00	0.00	
4	Insurance	20.00	0.00	
5	State Engineer Assessment	130.00	0.00	
	Totals :	2,000.00	0.00	

PROVO RIVER (LCD) DISTRIBUTION SYSTEM
2008 Delinquent Water Assessments

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Account Number	Billing Entity Billing Contact	Amount Due
101975	HILL, BRENT C (AND) VARVEL, ERIC M	95.91
101987	SLIPPER HOLLOW RANCH, LLC LON S. NIELD	16.50
101990	LAKE CREEK IRRIGATION CO ATTN: DEVIN MCKROLA	808.68
103086	OLD STANDARD LIFE INS. CO.	433.60
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Total Amount Due :		1,354.69

SUMMARY 2008 WATER YEAR

DELIVERIES

WEBER-PROVO CANAL 64074 TOTAL TO UTAH LAKE 15458 ECHO STORAGE 5000
TO DEER CREEK 43616

DUCHESNE TUNNEL 26269

WASHINGTON SOUTH KAMAS RETURN FLOW 653

JUNE SUCKER 23197 INCLUDING 937 OF CUPCA WATER SUCKER FLOWS APR 16-SEP 15

ONTARIO TUNNEL 12166

UPPER LAKE STORAGE JORDANELLE 5006, TRIAL ETC 4755, TOTAL 9763

RELEASES

JORDANELLE 241255 EVAP 7627
DEER CREEK 265193 EVAP 5963

CLASS DELIVERIES FOR UPPER RIVER

17 MAY 1 - JULY 1
14 JULY 2 - JULY 13
11 JULY 14 - JULY 16
1 JULY 17 - JULY 20
.85 1 JULY 21 - AUGUST 4
.60 1 AUGUST 5 - AUGUST 17
.50 1 AUGUST 18 - SEPTEMBER 19

CLASS A FOR LOWER RIVER AT 100 %

Evaluation of Proposed Assessment Classes Provo River System

Proposed Class	Number of Assessments	Amount Assessed (\$)	Portion of the 2008 System Assessment (%)
Class 0 Users who would no longer be directly assessed	8 Primary	\$2,917	2%
Class 1a Traditional Water Users (\$40 minimum)	215 Primary (166 @ minimum)	\$13,695 (\$6,640 from minimum assessments)	10%
Class 1b Owners of Exchanged Water (\$40 minimum)	29 Primary (21 @ minimum) 124 Exchanges	\$29,867 (\$840 from minimum assessments) (\$6,584 from Exchanges)	23%
Class 2 Owners of Storage Water	18 Primary 106 Exchanges	\$78,028 (\$4,935 from Exchanges)	60%
Class 3 Power Generation	1 Primary	\$7,050.00	5%
Total	271 Primary 230 Exchanges	\$131,558	100%

Wentz Number

Defined in Section 130 of the Provo River Decree:

It is further ordered, adjudged and decreed, that until the further order of the Court, the proportion of the total assessment to be borne by each of the respective parties using water for irrigation is to be fixed by the product of the area of land irrigated, multiplied by the length of the season of use, divided by the duty of water on the 15th day of July. The duty of water shall be determined by using the area of land and the volume of water. The length of the season of use to serve the purpose of the foregoing computation is fixed as follows: First Class Rights in the Wasatch Division, 130 days; Second to Seventeenth Class Rights, inclusive, 90 days; Class "A" Rights in the Provo Division, 165 days; Classes B, C, D, E, F, G, H, I, and J, in the Provo Division, and Classes Eighteen, Nineteen and Twenty, in the Wasatch Division, 60 days.

$$\text{Wentz \#} = \frac{(\text{Irrigated Acreage}) * (\text{Length of Season})}{(\text{Duty of Water on 7/15})}$$

(Irrigated Acreage)

Listed in Decree

(Duty of Water on 7/15)

Listed in Decree

Priority	Length of Season (days)
1st Class Wasatch Division	130
2nd - 17th Class Rights Wasatch Division	90
Class A Provo Division	165
Class B - J Provo Division	60
Class 18 - 20 Wasatch Division	60